

EMPIRE HEALTH SERVICES  
DEACONESS MEDICAL CENTER  
VALLEY HOSPITAL AND MEDICAL CENTER

INDEX UNDER:

**SUBJECT: CHARITY CARE**

**POLICY:** To establish procedures and guidelines for the provision of health care services to all persons in need of medical attention regardless of ability to pay.

Empire Health Services is committed to the provision of charity care, consistent with the requirements of the Washington Administrative Code, Chapter 246-453, and other applicable state and federal laws.

**PROCEDURE:** Empire Health Services has established criteria for provision of healthcare services to all persons who meet the established criteria.

The hospital's charity care policy shall be made publicly available through the following elements:

- A. A notice advising patients that the hospital provides charity care shall be posted in key areas of the hospital, including Admitting, Emergency and Outpatient Department registration areas and Billing and Collections.
- B. The hospital will concurrently distribute a written notice, Notice of Availability of Charity Care, to self-pay patients indicating the policy at the time of registration. This written information shall also be verbally explained at this time. The patient must then sign the notice, indicating that he/she was duly informed of the availability of charity care. A copy of the signed notice will be kept on file in Patient Financial Services. The registration personnel will provide a Patient Advocate business card, encouraging the patient to call to discuss financial assistance options. If during the pre-admit process, it is determined that a patient may require charity care assistance, the patient will be referred to the Patient Advocate for follow-up.
- C. Information shall be available in any language spoken by more than ten percent of the population in the hospital's service area, and interpreted for other non-English speaking or limited-English speaking patients and for other patients who cannot understand the writing and/or explanation.
- D. The hospital shall train front-line staff to answer charity care questions effectively or direct such inquiries to the appropriate department in a timely manner.
- E. Written information about the hospital's Charity Care Policy shall be made available to any person who requests the information, either by mail, by telephone or in person. The hospital's sliding fee schedule, if applicable, shall also be made available upon request.

### Eligibility Criteria:

Charity care is generally secondary to all other financial resources available to the patient. Other financial resources may include group or individual medical plans, worker's compensation, Medicare, Medicaid or medical assistance programs, other state, federal, or military programs, third party liability situations (e.g. auto accidents or personal injuries), or any other situation in which another person or entity may have a legal responsibility to pay for the costs of medical services.

The medically indigent patient will be granted charity care regardless of race, color, sex, religion, age, national origin, or immigration status. It may not cover transportation costs, elective procedures, or services provided by medical personnel who are not considered part of the hospital's medical staff.

In those situations where appropriate primary payment sources are not available, patients shall be considered for charity care under this hospital policy based on the following criteria:

- A. The hospital may choose to adopt a model of its choice, so long as the requirements of WAC 246-453-040 and WAC 246-453-050 are met. The following are the models the hospital has chosen to meet those requirements:
  - 1. The full amount of hospital charges will be determined to be charity care for a patient whose gross family income is at or below 100% of the current federal poverty level (consistent with WAC 246-435).
  - 2. The following sliding fee schedule shall be used to determine the amount that shall be written off for patients with incomes between 101% and 200% of the current federal poverty level.

#### INCOME AS A PERCENTAGE OF FEDERAL POVERTY LEVEL

#### PERCENTAGE DISCOUNT

101 – 133%	75%
134 – 166%	50%
167 – 200%	25%

- B. Catastrophic Charity: The hospital may write off as charity care amounts for patients with family income in excess of 200% of the federal poverty level when circumstances indicate severe financial hardship or personal loss such as:
  - 1. extraordinary nondiscretionary expenses relative to the amount of the responsible party's medical care expenses;
  - 2. existence and availability of family assets, which may only be considered with regard to the applicability of the sliding fee schedule;
  - 3. the responsible party's future income earning capacity, especially where his or her ability to work in the future may be limited as a result of illness and/or injury; and
  - 4. the responsible party's ability to make payments over an extended period of time.

The responsible party's financial obligation which remains after the application of any sliding fee schedule shall be payable in monthly installments over a reasonable period of time, without interest or late fees, as negotiated between the hospital and the responsible party. The responsible party's account shall not be turned over to a collection agency unless payments are missed, the payment amount agreed upon is not received or there is some period of inactivity on the account, and there is no satisfactory contact with the patient.

#### Process for Eligibility Determination:

##### A. Initial Determination:

1. The hospital shall use an application process for determining eligibility for charity care. Requests to provide charity care will be accepted from sources such as the patient, hospital management, community relations, physicians, hospital community or religious groups, social services and financial services personnel.
2. During the patient registration process, or at any time prior to the final payment of the bill and after the patient has been notified of the existence and availability of charity care, the hospital will make an initial determination of eligibility based on verbal or written application for charity care.
3. Pending final eligibility determination, the hospital will not initiate collection efforts or request deposits, provided that the responsible party is cooperative with the hospital's efforts to reach a final determination of sponsorship status.
4. If the hospital becomes aware of factors, which might qualify the patient for charity care under this policy, it shall advise the patient of this potential and make an initial determination that such account is to be treated as charity care.
5. Empire Health Services supports various charity care initiatives from other community programs. The hospital will honor terms from other approved programs when documentation is presented showing a patient is "covered" under such programs. An example of this type of program is "Project Access Spokane" which is a physician-led community program to provide charity care to the underserved.

##### B. Final Determination:

1. In the event that the responsible party's identification as an indigent person is obvious to hospital personnel and the hospital can establish that the applicant's income is clearly within the range of eligibility (under the 100% poverty guidelines), the hospital will grant charity care based solely on this initial determination. In these cases, the hospital is not required to complete full written verification or documentation. (In accordance with WAC 246-453-030 (3)).
2. Charity care forms, instructions, and written applications shall be furnished to patients when charity care is requested, when need is indicated, or when financial screening indicates potential need. All applications, whether initiated by the patient or the hospital, should be accompanied by documentation to verify income amounts indicated on the application form.

Any information or documentation in support of this clause shall be held in the strictest confidence. Any one of the following documents shall be considered sufficient evidence upon which to base the final determination of charity care eligibility:

- a. A "W-2" withholding statement;
- b. Pay stubs from all employment during the relevant time period – previous one year;
- c. An income tax return from the most recently filed calendar year;
- d. Forms approving or denying eligibility for Medicaid and/or state-funded medical assistance;
- e. Forms approving or denying unemployment compensation; or
- f. Written statements from employers or DSHS employees.

3. During the initial request period, the patient and the hospital may pursue other sources of funding, including Medicaid Assistance and other third party payers. The hospital may utilize the assistance of an outside vendor, such as PMSI, to assist these patients with funding options. The Hospital may not require that a patient, who is applying for a determination of indigent status, seek bank or other loan source funding.
4. Generally, the relevant time period for which documentation will be requested will be the previous 12 months prior to the date of application. However, if such documentation does not accurately reflect the applicant's current financial situation, documentation will only be requested for the period of time after the patient's financial situation changed.
5. In the event that the responsible party is not able to provide any of the documentation described above, the hospital shall rely upon written and signed statements from the responsible party for making a final determination of eligibility for classification as an indigent person. (WAC 246-453-030 (4)).

C. The hospital will allow a patient to apply for charity care at any point from pre-admission to final payment of the bill, recognizing that a patient's ability to pay over an extended period may be substantially altered due to illness or financial hardship, resulting in a need for charity services. If the change in financial status is temporary, the hospital may choose to suspend payments temporarily rather than initiate charity care.

D. Time frame for final determination and appeals:

1. Each charity care applicant, who has been initially determined eligible for charity care, shall be provided with at least thirty (30) calendar days, or such time as may reasonably be necessary, to secure and present documentation in support of his or her charity care application prior to receiving a final determination of sponsorship status.
2. The hospital shall notify the applicant of its final determination within fourteen (14) working days of receipt of all application and documentation material.
3. The patient/guarantor may appeal the determination of eligibility for charity care by providing additional verification of income or family size to the Patient Financial Services Supervisor within thirty (30) days of receipt of notification.

4. The timing of reaching a final determination of charity care status shall have no bearing on the identification of charity care deductions from revenue as distinct from bad debts, in accordance with WAC 246-453-020 (10).
- E. If the patient has paid some or all of the bill for medical services and is later found to have been eligible for charity care at the time services were provided, he/she may be reimbursed for any amounts in excess of what is determined to be owed.
- F. Adequate notice of denial:
  1. When a patient's application for charity care is denied, the patient shall receive a written or verbal notice of denial which includes:
    - a) The reason or reasons for the denial and the rules to support the hospital's decision;
    - b) Instructions for appeal or reconsideration.
  2. When the applicant does not provide requested information and there is not enough information available for the hospital to determine eligibility, the denial notice also includes:
    - a) A description of the information that was requested and not provided, including the date the information was requested;
    - b) A statement that eligibility for charity care cannot be established based on information available to the hospital; and
    - c) That eligibility will be determined if, within thirty days from the date of the denial notice, the applicant provides all specified information previously requested but not provided.
  3. The Director of Patient Financial Services and/or AVP of Revenue Cycle will review all appeals. If this review affirms the previous denial of charity care, written notification will be sent to the patient/guarantor and the Department of Health in accordance with state law.

**Documentation and Records:**

- A. Confidentiality: All information relating to the application will be kept confidential and comply with HIPAA. Copies of documents that support the application will be kept with the application form.
- B. Documents pertaining to charity care shall be retained for seven (7) years.

Orig: 7/05

APPROVED: Revenue Cycle

REVIEWED:

REVISED: